

A decorative border in black ink, featuring symmetrical scrollwork and floral motifs. It frames the central text and has a small flower at the bottom center.

**MCCRORY STORES CORPORATION**

*Annual Report*

**1950**

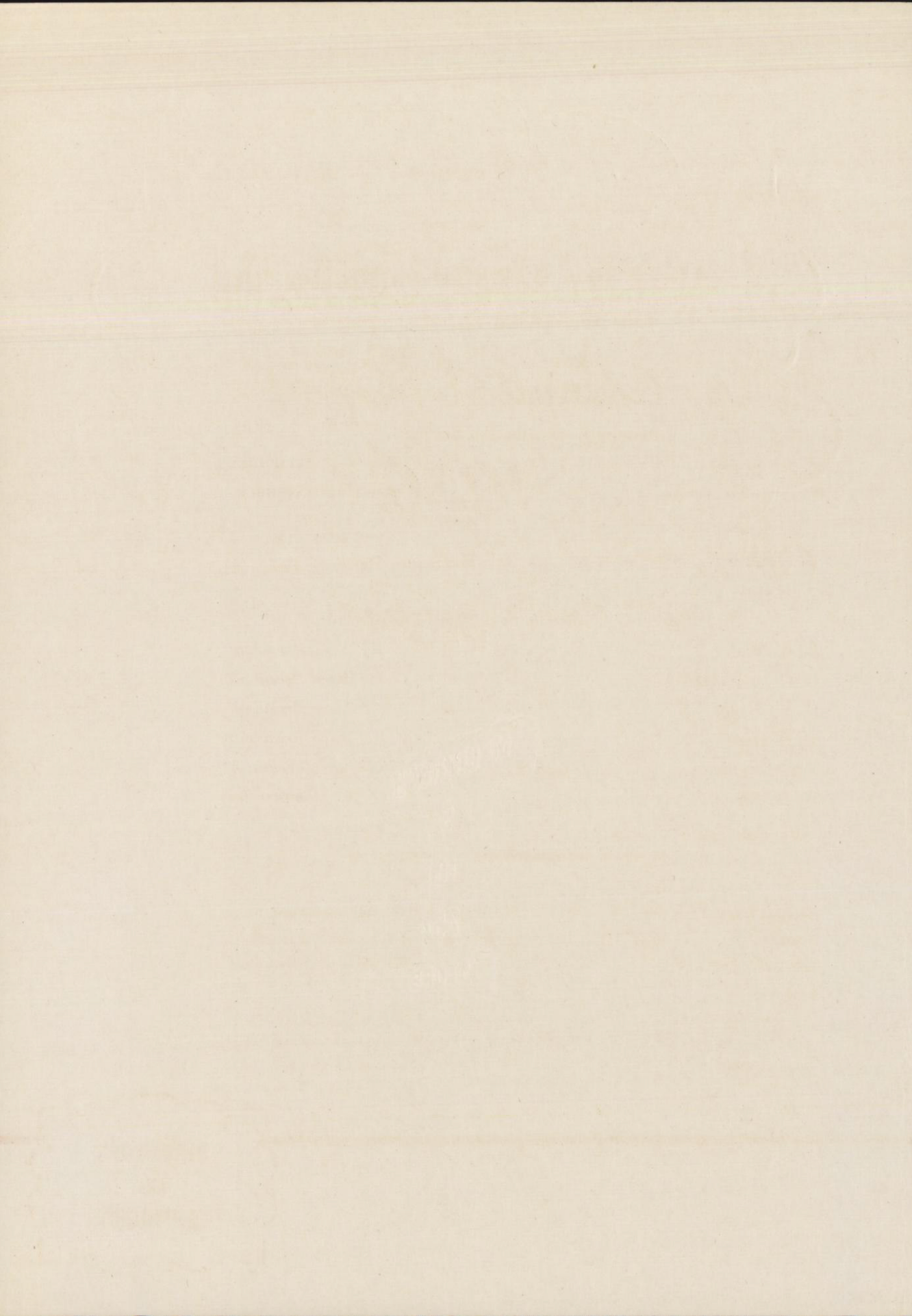
MCCRORYS

1950

1950

1950

1950





## Directors

RANDOLPH CATLIN

R. F. COPPEDGE

A. J. FINK

FRANK J. HUMPHREY

N. BAXTER JACKSON

ROBERT W. JAMESON

HARRY O. LATHAM

WILLIAM L. LESS

F. W. PAUL

LEONARD SPANGENBERG

EUGENE W. STETSON

## Executive Committee

ROBERT W. JAMESON, *Chairman*

R. F. COPPEDGE

A. J. FINK

FRANK J. HUMPHREY

EUGENE W. STETSON

LEONARD SPANGENBERG

## Officers

R. F. COPPEDGE, *Chairman of the Board of Directors*

F. W. PAUL..... *President*

G. C. CHAMBERS..... *Vice President*

R. A. VROOM..... *Vice President*

M. O. HILL..... *Vice President*

T. C. LAWRENCE..... *Financial Vice Pres. & Secretary-Treasurer*

H. H. BOSCH..... *Comptroller*

**General Counsel** ..... *Sullivan & Cromwell, New York, N. Y.*

**Auditors** ..... *S. D. Leidesdorf & Co., New York, N. Y.*

**Transfer Agent** ..... *Guaranty Trust Company of New York*

**Registrar**

**Common Stock** ..... *Bankers Trust Company, New York, N. Y.*

**Preferred Stock** ..... *Chemical Bank & Trust Company, New York, N. Y.*

**General Office** ..... *1107 Broadway, New York, N. Y.*

**DIRECTORS  
AND  
OFFICERS**

February 15, 1951

TO THE STOCKHOLDERS:

The financial statements of McCrory Stores Corporation for the year 1950 are submitted herewith, together with other financial information covering the past ten years.

Sales for the year 1950 were \$98,665,602 and exceeded the sales for 1949 by 3%. The Company continued its policy of making available to its customers only that merchandise normally found in a variety store. It therefore did not participate in the consumer demand for domestic items such as stoves, refrigerators, deep-freezers, furniture etc., stimulated by the Korean activities.

Net Profits for 1950, despite a heavier Federal Income Tax were higher than 1949. The earnings of \$5,265,180 were equal after preferred dividends to \$4.43 per share of common stock as compared with \$4.05 per share in 1949. Federal taxes on income in 1950 amounted to \$3,540,000 an increase of \$785,000 over 1949, of the 1950 total, excess profit tax does not exceed \$15,000.

The Company has continued to pay out a large portion of its earnings in dividends. In addition to regular 50-cent quarterly dividends on the common stock, an extra dividend of 50 cents was paid in March and a year-end dividend of 25 cents was paid in December, making the total disbursement for the year \$2.75 per share as compared with \$2.50 per share in 1949.

During the year the Company sold one of its store properties to the Trustee of the McCrory Stores Corporation Employees' Retirement Plan and leased the property from the Trustee for a term of 37 years, with options for renewal at expiration of the lease period. The selling price of the property was determined by independent appraisal and the resulting profit amounting to approximately \$216,000 has been included in the Statement of Income and Earned Surplus under "Other Income".

Capital expenditures during 1950 amounted to \$2,900,000. A

**McCRORY  
STORES  
CORPORATION**



large portion of this amount was expended at Canton, Ohio and Indianapolis, Indiana. The Canton store was completely rebuilt with a basement sales floor, which doubled the available sales space. Eight stores were remodelled and enlarged. Four new stores were opened during the year, Kingsport, Tenn. and Bay Shore, L. I. being opened in the early part of the year and Union, N. J. and Gulfport, Miss. in the latter part of the year. One store where the lease expired was closed at the year-end. At this time, due to various building restrictions, it is impossible to state with any degree of correctness the extent of the 1951 building program.

Working capital at the end of 1950 amounted to \$15,951,695 and compares with \$11,999,556 at the end of 1945. From the summary below it can be seen that over the past five years the Company has disbursed the greater portion of its available funds in dividends and in additions to its plant and equipment, the funds retained being needed to finance the expanding inventory required by the added volume of sales and by increased cost of merchandise.

#### WORKING CAPITAL SUMMARY

*For the five years ended December 31, 1950*

##### ADDITIONS TO WORKING CAPITAL

Net Income (Adjusted) .....	\$27,310,000	
Sale of Common Stock, 1946 (net of expenses) .....	1,843,000	
Amortization and depreciation .....	<u>4,152,000</u>	
		\$33,305,000

##### DEDUCTIONS FROM WORKING CAPITAL

Cash dividends on Preferred and Common Stock .....	15,526,000	
Expenditures for new and remodelled stores, etc.—Net .....	<u>13,827,000</u>	29,353,000
NET INCREASE IN WORKING CAPITAL .....		<u>\$ 3,952,000</u>

In closing it is once more my privilege to express for the Board of Directors their appreciation and gratitude for the continued loyal support of the Company's employees, customers and stockholders.

BY ORDER OF THE BOARD OF DIRECTORS

*R. F. Coppedge*

R. F. COPPEDGE, *Chairman*

**REPORT  
TO  
STOCKHOLDERS**



# Ten Year Comparison

## SALES AND PROFITS

	<i>Number of Stores</i>	<i>Net Sales</i>	<i>Income before Federal Taxes</i>	<i>Income after Federal Taxes on Income</i>	<i>Per Share of Common Stock</i>		
					<i>Income Taxes</i>	<i>Net Income</i>	<i>Dividends</i>
1950	205	98,665,602	8,805,180	5,265,180	3.10	4.43	2.75
1949	201	95,767,297	7,586,191	4,831,191	2.42	4.05	2.50
1948	202	97,588,160	8,688,740	5,488,740	2.81	4.63	2.80
1947	199	91,225,698	10,052,812	6,302,812	3.29	5.34	2.65
1946	199	84,509,508	10,537,776	6,537,776	3.51	5.55	2.00
1945	199	71,282,195	8,282,254	2,372,254	5.70	2.00	1.00
1944	203	71,324,436	8,182,804	2,182,804	6.06	1.90	1.00
1943	201	67,351,104	6,363,542	2,288,542	4.11	2.01	1.00
1942	202	62,613,293	6,184,753	2,184,753	4.04	1.90	1.00
1941	202	53,013,016	4,399,094	2,522,594	1.90	2.24	1.25

## BALANCE SHEET INFORMATION

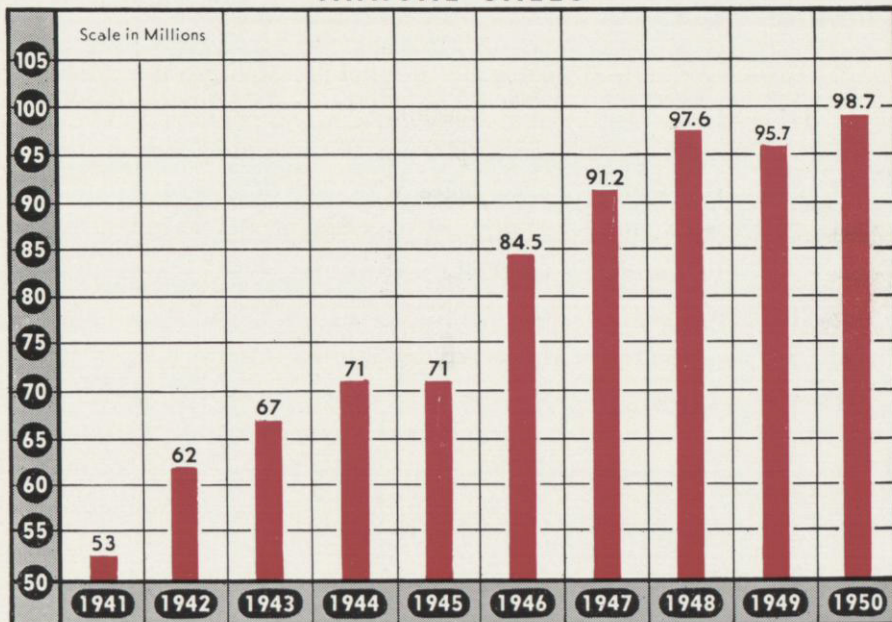
	<i>CURRENT</i>		<i>Net Working Capital</i>	<i>Net Fixed Assets</i>	<i>Per Share of Common Stock</i>	
	<i>Assets</i>	<i>Liabilities</i>			<i>Working Capital</i>	<i>Net Worth</i>
1950	24,416,816	8,465,121	15,951,695	19,800,137	13.99	26.94
1949	22,331,504	6,754,616	15,576,888	18,315,879	13.66	25.26
1948	23,687,945	6,782,548	16,905,397	14,983,021	14.83	23.71
1947	27,100,690	9,098,099	18,002,591	11,809,483	15.79	21.88
1946	24,004,068	6,810,585	17,193,483	10,744,300	15.08	20.16
1945	19,516,530	7,516,974	11,999,556	10,285,770	11.57	16.48
1944	19,403,172	8,012,208	11,390,964	10,849,283	11.50	15.06
1943	18,543,282	7,858,453	10,684,829	11,293,066	10.79	14.15
1942	18,475,795	8,713,568	9,762,227	11,915,988	9.86	13.15
1941	14,521,890	5,919,016	8,602,874	12,101,263	8.69	12.05

**MCCRORY  
STORES  
CORPORATION**

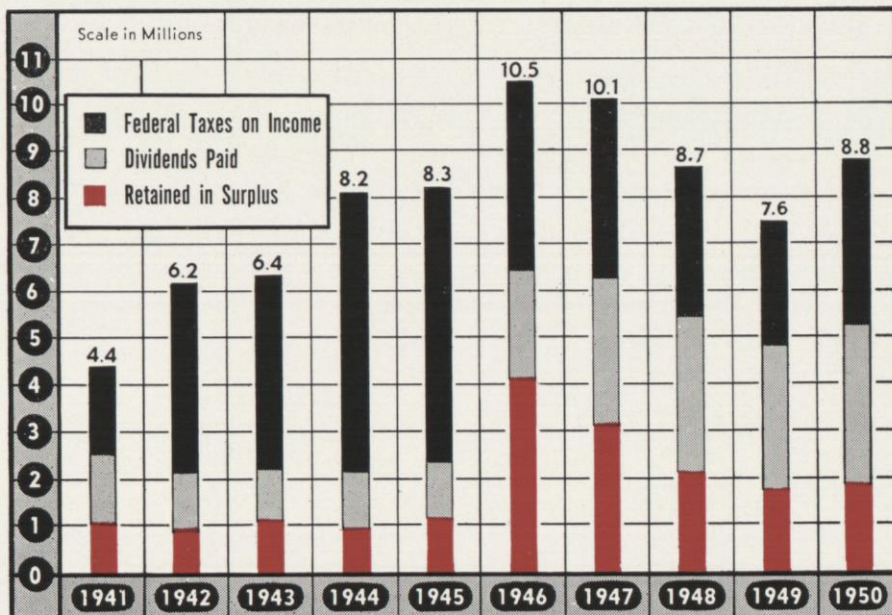


# Graphic Picture of Sales & Profits

## ANNUAL SALES



## DISPOSITION OF INCOME



**SALES  
AND  
PROFITS**



**TO THE BOARD OF DIRECTORS  
McCRORY STORES CORPORATION  
NEW YORK, N. Y.**

We have examined the balance sheet of McCrory Stores Corporation (Delaware Corporation) as at December 31, 1950 and the related statement of income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Our examination of the merchandise inventories included a general review of the inventory records, tests to determine the mathematical accuracy of the inventory schedules and physical tests of the quantities included in the warehouse inventories. We reviewed the method of store inventory taking as outlined in the inventory instructions issued by the management, and had our representatives present at certain stores, selected by us, for the purpose of satisfying ourselves that the inventory instructions were carried out effectively. At such stores, tests were made of quantities and retail prices which were checked to the merchandising records used as a basis for the retail method of inventory valuation.

In our opinion, the accompanying balance sheet and statement of income and earned surplus, together with the notes to financial statements, present fairly the financial position of McCrory Stores Corporation (Delaware Corporation) at December 31, 1950, and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

**S. D. LEIDESDORF & CO.**

*Certified Public Accountants*

New York, N. Y. February 15, 1951.

**ACCOUNTANTS'  
REPORT**



# Statement of Income and Earned Surplus

For the Year Ended December 31, 1950

SALES (merchandise, restaurant and concession) ..... \$98,665,601.99

Cost of goods sold and operating expenses  
including occupancy and general and  
administrative expenses ..... 89,070,973.30  
9,594,628.69

## OTHER INCOME:

Income from sale of store property .... \$ 215,789.85

Miscellaneous income, less other  
deductions ..... 125,556.46      341,346.31

Net income before depreciation, amortiza-  
tion and Federal taxes on income ..... 9,935,975.00

Depreciation and amortization ..... 1,130,795.01

Net income before Federal taxes on income ..... 8,805,179.99

Provision for Federal taxes on income (in-  
cluding \$15,000 of excess profits tax) ..... 3,540,000.00

NET INCOME ..... 5,265,179.99

## Earned Surplus (since January 1, 1936):

Balance as at December 31, 1949 ..... 19,948,007.17  
25,213,187.16

## Dividends paid on:

Common Stock—\$2.75 per share .... 3,135,662.75

Preferred Stock ..... 210,000.00      3,345,662.75

EARNED SURPLUS—Balance as at Dec. 31, 1950—Note D. . . \$21,867,524.41

The Notes to Financial Statements are an integral part of this statement and should be read in conjunction herewith.

**McCRORY  
STORES  
CORPORATION**

# McCrory Stores

(Delaware Corporation)

## BALANCE SHEET as of

### ASSETS

#### CURRENT ASSETS:

Cash on hand, in banks and in transit	\$ 7,642,201.86
U. S. Government obligations—at par	1,000,000.00
Merchandise inventories at stores and warehouses—Note A	\$13,609,338.43
Merchandise in transit—at cost	2,069,048.26
Miscellaneous accounts receivable, less reserve	96,227.29
Total Current Assets	<u>24,416,815.84</u>

#### FIXED ASSETS:

Real estate, at adjusted value Dec. 31, 1936 and subsequent additions at cost	6,196,008.32
Less: Reserve for depreciation	1,536,241.12
Furniture and fixtures, equipment and utensils, at cost	9,967,392.86
Less: Reserve for depreciation	3,783,214.54
Improvements to leased property, at adjusted value Jan. 1, 1936 and subsequent additions at cost	12,602,068.60
Less: Reserve for amortization	3,645,876.65
Total Fixed Assets	<u>19,800,137.47</u>

#### DEFERRED CHARGES:

Prepaid rents, insurance, taxes, store supplies, etc.	968,974.75
	<u>\$45,185,928.06</u>

### NOTES TO FINANCIAL STATEMENTS

#### NOTE A—

##### Merchandise at Stores:

Inventories at the lower of cost or market based upon the retail method of inventory valuation	\$12,307,114.53
Inventories at cost—Restaurants	113,643.95
Merchandise at Warehouses—at cost	1,188,579.95
	<u>\$13,609,338.43</u>

Cost of goods sold for the current year has been determined on the basis of inventories established as outlined above.

#### NOTE B—

The 3½% Cumulative Convertible Preferred Stock is redeemable at the option of the Corporation in whole or in part, at \$104.50 per share to January 1, 1952, and thereafter at \$104.00 per share, plus in each case accrued dividends to date of redemption, and in the event of voluntary liquidation, is entitled to receive an amount equal to the then redemption price and in the event of involuntary liquidation is entitled to \$100.00 per share and accrued dividends.

**McCRORY  
STORES  
CORPORATION**



# es Corporation

orporation)

December 31, 1950

## LIABILITIES

### CURRENT LIABILITIES:

Accounts payable—including merchandise in transit	\$ 3,278,386.63	
Accrued expenses, taxes, rents, salaries, officers' and employees' bonus, etc.		3,505,764.87
Reserve for Federal taxes on income	\$ 3,680,969.40	
Less: U. S. Treasury Notes	<u>2,000,000.00</u>	<u>1,680,969.40</u>
Total Current Liabilities		<u>8,465,120.90</u>

### CAPITAL STOCK AND SURPLUS:

#### Preferred Stock —

Par value \$100.00 per share:

Authorized	80,000 shares	
3½% Series—Cumulative Convertible		
Issued and outstanding	60,000 shares	
—Note B		6,000,000.00

#### Common Stock—Par value \$1.00 per share—Note C

Authorized	1,400,000 shares	
Issued and outstanding	1,140,241 shares	1,140,241.00

#### Capital Surplus

(no change during year)—Note D . . . 7,713,041.75

#### Earned Surplus (since January 1, 1936)

—Note D	<u>21,867,524.41</u>	<u>36,720,807.16</u>
		<u>\$45,185,928.06</u>

## IAL STATEMENTS

#### NOTE C—

Of the total of 1,400,000 shares of Common Stock authorized, 150,000 shares are reserved for issuance upon conversion of the 3½% Cumulative Convertible Preferred Stock.

#### NOTE D—

Pursuant to certain restrictions in connection with the authorization of 3½% Cumulative Convertible Preferred Stock, Capital and Earned Surplus as at December 31, 1950 in the approximate amount of \$15,900,000 is not available for dividends on the Common Stock.

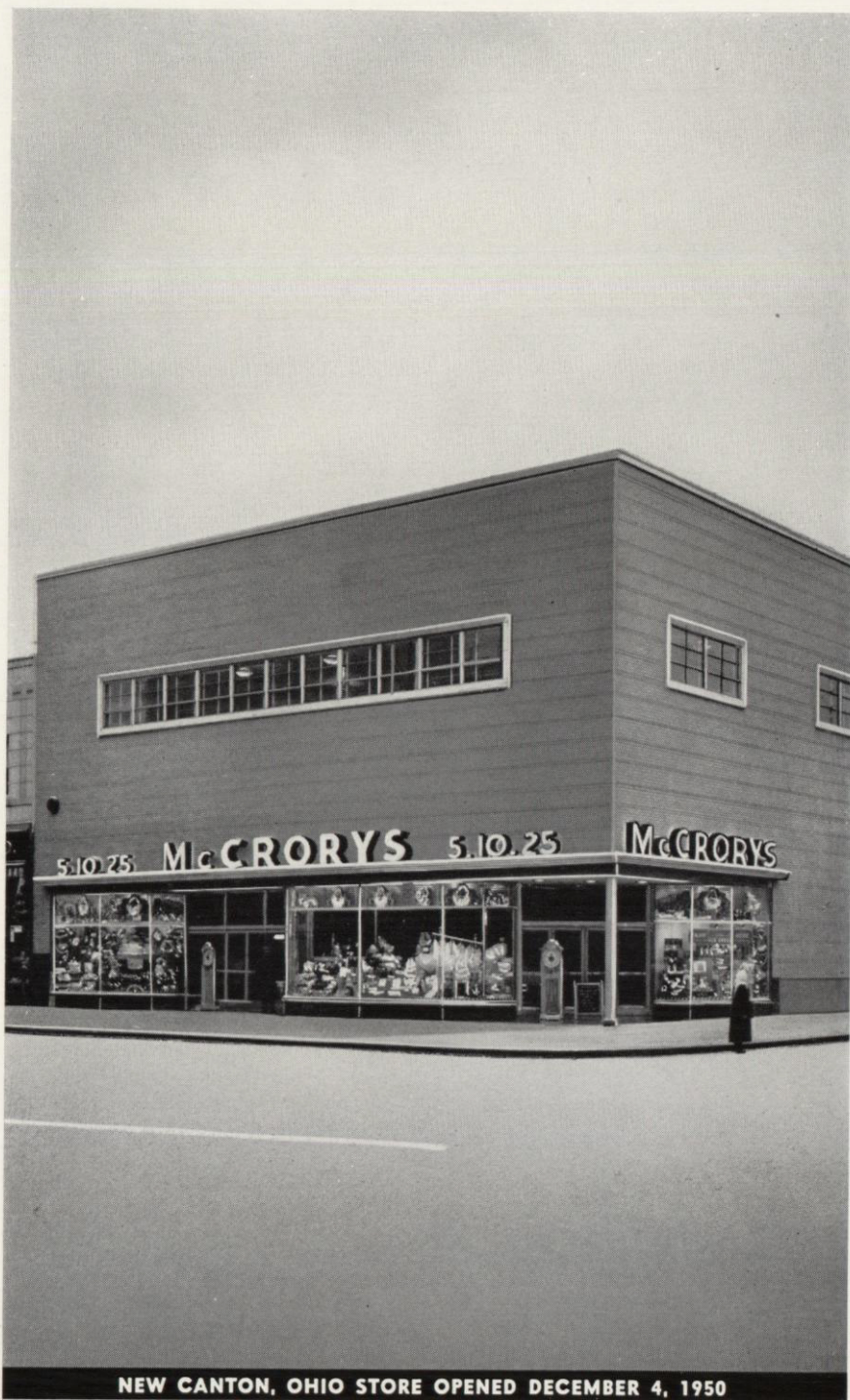
#### GENERAL—

At December 31, 1950 the minimum annual rentals upon property leased to the Corporation under 266 leases expiring after December 31, 1953, amount to approximately \$3,050,000.00, plus real estate taxes, insurance, etc.

The accompanying financial statements are subject to the final determination of Federal and State taxes.

1950  
BALANCE  
SHEET





NEW CANTON, OHIO STORE OPENED DECEMBER 4, 1950



CANTON  
OHIO  
STORE



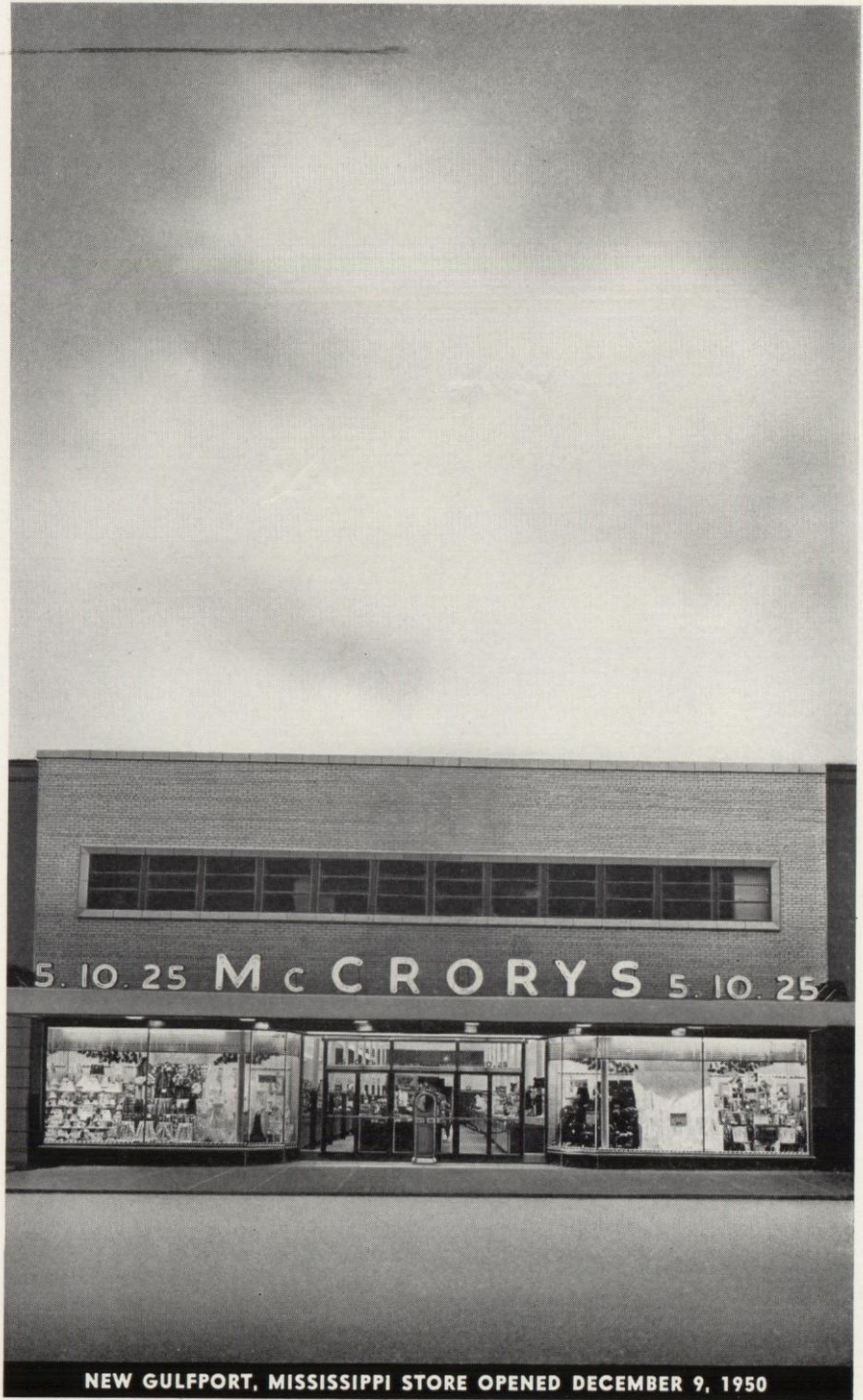


INTERIOR VIEWS OF NEW CANTON STORE



**CANTON  
OHIO  
STORE**





NEW GULFPORT, MISSISSIPPI STORE OPENED DECEMBER 9, 1950

**GULFPORT  
MISSISSIPPI  
STORE**





NEW KINGSFORT, TENNESSEE STORE OPENED MARCH 11, 1950



**KINGSFORT  
TENNESSEE  
STORE**



## 205 McCRORY STORES...

### Alabama (2)

Eufaula  
Mobile

### Arkansas (3)

†Eldorado  
Fort Smith  
Jonesboro

### Connecticut (1)

Danbury

### Delaware (1)

Dover

### Dist. of Col. (1)

Washington

### Florida (37)

Arcadia  
Bartow  
Bradenton  
Clearwater  
Daytona Beach  
128 S. Beach St.  
814 Main St.

Deland

Fort Lauderdale

Fort Myers

Fort Pierce

Gainesville

Homestead

Jacksonville

Kissimmee

Lake City

Lakeland

Leesburg

Live Oak

Melbourne

Miami

Miami Beach

New Smyrna

Ocala

Orlando

Palatka

Panama City

### Fla. (cont.)

Plant City  
Punta Gorda  
Quincy  
Sanford  
Sarasota  
St. Augustine  
St. Petersburg  
Tallahassee  
Wauchula  
West Palm Beach  
Winter Haven

### Georgia (8)

Atlanta  
Bainbridge  
Columbus  
Cordele  
Savannah  
Tifton  
Valdosta  
Waycross

### Indiana (3)

Anderson  
Indianapolis  
Terre Haute

### Kentucky (2)

Louisville  
†Lexington

### Louisiana (3)

Lafayette  
New Orleans  
1626 Dryades St.  
1005 Canal St.

### Maryland (8)

Baltimore  
Cambridge  
Crisfield  
Cumberland  
Easton  
Frederick  
Hagerstown  
Salisbury

### Massachusetts (2)

New Bedford  
1115 Acushnet Ave.  
1009 S. Water St.

### Mississippi (3)

Gulfport  
Jackson  
McComb

### Missouri (1)

St. Louis

### New Jersey (12)

Asbury Park  
Atlantic City  
Burlington  
Camden  
†Clifton  
Jersey City  
Newark  
Orange  
Passaic  
Perth Amboy  
Rahway  
Union

### New York (8)

Bay Shore, L. I.  
Brooklyn  
Johnson City  
Long Island City  
New York City  
Niagara Falls  
Reno Park  
Syracuse

### North Carolina (5)

Dunn  
Fayetteville  
†Fort Bragg  
Roanoke Rapids  
Tarboro

### Ohio (9)

Canton

**McCRORY  
STORES  
CORPORATION**



## ... IN TWENTY-THREE STATES\*

### Ohio (cont.)

Cleveland  
Dayton  
East Liverpool  
Hamilton  
Kent  
Springfield  
Steubenville  
Youngstown

### Pennsylvania (56)

Allentown  
Altoona  
Barnesboro  
Bethlehem  
Bradford  
Bristol  
Brookville  
Canonsburg  
Carlisle  
Carnegie  
Chambersburg  
Charleroi  
Chester  
Clearfield  
Connellsville  
Cresson  
Donora  
DuBois  
Ebensburg  
Emporium  
Franklin  
Greensburg  
Hanover  
Homestead  
Huntingdon  
Indiana  
Johnstown  
Kane  
Lancaster  
Lebanon  
Lewistown

### Pa. (cont.)

Monongahela  
Mt. Pleasant  
Patton  
Philadelphia  
1205 Market St.  
919 Market St.  
Philipsburg  
Pittsburgh  
105 E. Ohio St.  
314 Fifth Avenue  
Portage  
Pottstown  
Punxsutawney  
Reading  
Reynoldsville  
Ridgway  
Scottdale  
Scranton  
Somerset  
South Fork  
Tyrone  
Vandergrift  
Waynesboro  
Waynesburg  
Wilkes-Barre  
Windber  
York

### South Carolina (8)

Aiken  
Chester  
Columbia  
Gaffney  
Georgetown  
Greenwood  
Newberry  
Rock Hill

### Tennessee (4)

Bristol  
Kingsport

### Tenn. (cont.)

Morristown  
Oak Ridge

### Texas (14)

Big Spring  
Corpus Christi  
Denton  
Fort Worth  
Galveston  
Hillsboro  
McAllen  
Naogdoches  
Palestine  
San Antonio  
Taylor  
Terrell  
Waco  
Wichita Falls

### Virginia (7)

Cape Charles  
Charlottesville  
Front Royal  
Harrisonburg  
Pulaski  
Staunton  
Winchester

### West Virginia (11)

Charleston  
Clarksburg  
Fairmont  
Grafton  
Huntington  
Mannington  
Martinsburg  
Morgantown  
New Martinsville  
Parkersburg  
Wheeling

\*And the District of Columbia.

†Stores contemplated or under construction.

Stockrooms at New York, N. Y. and Huntingdon, Pa.

205  
McCRORY STORES  
IN  
23 STATES\*



**McCRORY  
STORES  
CORPORATION**





